

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 3721 - HB 3774

March 5, 2012

SUMMARY OF BILL: Creates a Class A misdemeanor offense for an official in the executive or legislative branch, or immediate family member of such official, to knowingly hold ownership or other financial interest in a privatization enterprise or to be employed by or accept employment with a privatization enterprise during tenure of office or 12 months following the end of such tenure. Elevates the offense to a Class C felony if the conduct giving rise to a violation of this section would also constitute bribery. Disqualifies a person convicted under this section from ever holding public office in Tennessee.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$22,000/Incarceration*

- A violation of this bill also constitutes the offense of bribery of a public servant, punishable as a Class C felony.
- The Department of Correction (DOC) estimates one additional admission every three years as a result of this bill.
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. No significant incarceration cost increase will occur due to population growth in this period. The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on one Class C offender every three years.
- According to DOC, the average operating cost per offender per day for calendar year 2012 is \$61.36. The average post-conviction time served for a Class C felony is 2.98 years (1,088.45 days) at a cost of \$66,787.29 (\$61.36 x 1,088.45 days).
- The annualized cost per year is \$22,039.81 (0.33 annual number of convictions x \$66,787.29)
- Due to the small number of offenders and the relatively short time served, no recidivism discount has been applied for these offenses.
- Any other violation of this section is a Class A misdemeanor. Any person convicted of such offense shall forever be disqualified from holding any office under the laws or Constitution of this state. There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.

**Tennessee Code Annotated, Section 9-4-210, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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